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PAGE 01 PARIS 21405 01 OF 06 061834Z
ACTION EUR-12

INFO OCT-01 ISO-00 STR-07 XMB-02 CTME-00 L-03 NSC-05
AGRE-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08 EA-10
FRB-03 INR-10 IO-13 NEA-10 NSAE-00 ICA-11 OPIC-03
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LIMITED OFFICIAL USE SECTION 01 OF 06 PARIS 21405

USOECD

E.O. 11652: N/A
TAGS: EINV, OECD
SUBJECT: MEETING OF COMMITTEE ON INTERNATIONAL INVEST-
MENT AND MULTINATIONAL ENTERPRISES (CIME), JULY 3-4, 1978

REF: (A) PARIS 21087; (B) PARIS 12407

1. SUMMARY: MUCH OF TIME OF TWO-DAY CIME MEETING
DEVOTED TO INCONCLUSIVE DISCUSSION OF PREPARATION FOR
ITS REVIEW OF 1976 MINISTERIAL DECLARATION AND DECISIONS
ON INVESTMENT. GROUP GENERALLY AGREED 1979 OECD MINI-
STERIAL SHOULD BE TARGET DATE FOR ITS REPORT ON REVIEW
AND MUCH WAS MADE OF NEED TO PRESERVE STABILITY, CREDI-
BILITY AND BALANCE OF PACKAGE. HOW THIS WILL BE ACCOM-
PLISHED WAS LEFT TO NEXT CIME MEETING AND A SECRETARIAT
DRAFTANNOTATED OUTLINE OF REPORT ON THE REVIEW. THIS
OUTLINE WILL BE BASED PRIMARILY ON RESPONSES BY GOVERN-
MENTS TO CIME CHAIRMAN'S "AIDE MEMOIRE" LISTING ISSUES
FOR REVIEW AND, SECONDARILY, ON INPUTS FROM ADVISORY
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PAGE 02 PARIS 21405 01 OF 06 061834Z

BODIES AND FROM OTHER OECD COMMITTEES WHICH DEAL WITH
RELATED ISSUES. CIME DID DECIDE TO ESTABLISH AD HOC
WORKING GROUP ON ACCOUNTING STANDARDS WHOSE MANDATE,
WITH MINOR AMENDMENTS, IS BASED ON U.S. DRAFT TERMS OF
REFERENCE. (CHAIRMANSHIP OF GROUP, HOWEVER, HAS BEEN
LEFT OPEN FOR TIME BEING.) IDEA OF SECRETARIAT WORKING
ON THE ISSUE OF INCENTIVES AND DISINCENTIVES DECISION IN

INVESTMENT PACKAGE WAS ACCEPTED BY THE COMMITTEE AFTER ANOTHER U.S. PRESENTATION INCLUDING THE VEILED THREAT THAT IN THE INTEREST OF BALANCE, NO MOVEMENT COULD BE MADE IN THE REVIEW ON OTHER AREAS IF INCENTIVES AND DISINCENTIVES WERE NOT EXAMINED. COMMITTEE RECOGNIZED THAT 1976 DECLARATION BY MINISTERS ENCOURAGES TRANSPARENCY ON BROAD SPECTRUM OF INCENTIVES AND DISINCENTIVES AND SECRETARIAT WAS GIVEN TASK OF PREPARING ANALYSIS OF THIS AREA BASED ON PAPER PRESENTED BY U.S. AT LAST CIME (REFTEL B). DISCUSSION OF ACTIVITIES OF WORLD BANK/IMF DEVELOPMENT COMMITTEE AND ICSID EXPANSION INCONCLUSIVE, BUT CIME, UNDER U.S. PRODDING, AGREED TO AN EXCHANGE OF VIEWS ON OTHER INVESTMENT ISSUES DURING ITS SUBSEQUENT MEETINGS. PRECISE SUBJECTS WILL AWAIT RESULTS OF SECRETARIAT PAPER ON THIS TOPIC. NEXT CIME MEETING SET FOR OCTOBER 30-31 WITH NATIONAL TREATMENT WORKING GROUP TO MEET SEPTEMBER 18-19, FOLLOWED BY WORKING GROUP ON THE GUIDELINES SEPTEMBER 20-22. DATE FOR MEETING OF AD HOC GROUP ON ACCOUNTING STANDARDS WILL BE SET BY SECRETARIAT AFTER INFORMAL CONSULTATIONS. END SUMMARY.

1979 REVIEW

2. TONE OF CIME DISCUSSION FOR REVIEW OF 1976 DECLARATION AND DECISIONS ON INVESTMENT WAS STRUCK FIRST DAY LIMITED OFFICIAL USE

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PAGE 03 PARIS 21405 01 OF 06 061834Z

OF CIME MEETING. CIME CHAIRMAN (VON DEWITZ), IN HIS OPENING REMARKS, URGED THAT DEBATE WHICH LED TO 1976 INVESTMENT PACKAGE NOT BE REOPENED, BUT THAT DECLARATION AND DECISIONS SHOULD BE TAKEN AS STARTING POINT FOR REVIEW. HE CITED THE NEED TO KEEP AN ELEMENT OF STABILITY IN THE EXISTING INSTRUMENTS AND, FOR SAKE OF THEIR CREDIBILITY AND STANDING, TO AVOID RADICAL CHANGES. HE STATED THAT, ALTHOUGH THREE APPROACHES TO REVIEW OUTLINED IN SECRETARIAT DOCUMENT (IME(78)17) ARE NOT MUTUALLY EXCLUSIVE, NEED FOR STABILITY SUGGESTED FOCUS OF REVIEW SHOULD BE ON SECOND APPROACH OF IMPROVING IMPLEMENTATION OF INSTRUMENTS. ESSENCE OF CHAIRMAN'S REMARKS BECAME A REFRAIN WHICH WAS REPEATED BY OTHER DELEGATIONS IN THEIR GENERAL INTERVENTIONS ON SUBJECT OF REVIEW. U.S. DEL (MEISSNER) ADDED NOTE, ECHOED BY SOME OTHERS, OF NECESSITY OF MAINTAINING BALANCE AMONG THE EXISTING INSTRUMENTS DURING THE REVIEW PROCESS AND IN ANY EVENTUAL REVISION.

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PAGE 01 PARIS 21405 02 OF 06 061835Z
ACTION EUR-12

INFO OCT-01 ISO-00 STR-07 XMB-02 CTME-00 L-03 NSC-05
AGRE-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08 EA-10
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FM AMEMBASSY PARIS
TO SECSTATE WASHDC 4390
INFO USMISSION USUN

LIMITED OFFICIAL USE SECTION 02 OF 06 PARIS 21405

3. DELEGATES ACCEPTED AS GIVEN THE NEED TO REPORT TO THE 1979 OECD MINISTERIAL ON THE RESULTS OF THE REVIEW, ALTHOUGH U.S. DEL POINTED OUT THAT CIME SHOULD NOT BE LOCKED INTO 1979 MINISTERIAL DATE IF IT APPEARED REVIEW COULD NOT BE COMPLETED BY THAT TIME. MAJORITY OF DELEGATES EXPRESSED VIEW THAT REVIEW SHOULD BE CONDUCTED BY FULL CIME FOR TIME BEING. HOWEVER, EVENTUAL ROLE FOR WORKING GROUPS WAS NOT TO BE EXCLUDED. ON THIS POINT, U.S. DEL, SECONDED BY OTHERS (CANADA, AUSTRIA), POINTED TO WORKLOAD OF CIME AND SHORT TIMEFRAME FOR REVIEW AND SUGGESTED FULLER DISCUSSION AT OCTOBER CIME MEETING OF POSSIBILITY OF UTILIZING WORKING GROUPS TO BEAR MUCH OF BURDEN OF REVIEW.

4. GOVERNMENT INPUTS INTO REVIEW: COMMITTEE ALSO AGREED GENERALLY THAT VIEWS OF GOVERNMENTS WOULD BE MOST IMPORTANT ASPECT OF REVIEW. SECRETARIAT WAS ASKED TO PREPARE ANNOTATED OUTLINE OF DRAFT REPORT ON REVIEW FOR DISCUSSION
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PAGE 02 PARIS 21405 02 OF 06 061835Z

SION AT NEXT CIME MEETING. THIS OUTLINE WILL BE BASED

LARGELY ON GOVERNMENT RESPONSES TO A QUESTIONNAIRE ON THE THREE INSTRUMENTS OF THE 1976 PACKAGE PREPARED BY THE CHAIRMAN ON HIS RESPONSIBILITY AND CIRCULATED TO DELEGATES AT MEETING. GOVERNMENT RESPONSES TO QUESTIONNAIRE, WHICH ARE VOLUNTARY, SHOULD BE SUBMITTED TO SECRETARIAT BY SEPTEMBER 15. GERMAN DEL (SCHEELE) STRESSED FACT THAT GOVERNMENT RESPONSES TO QUESTIONNAIRE SHOULD REMAIN CONFIDENTIAL AND EXPRESSED CONCERN OVER LEAK OF IME(78)¹ TO ADVISORY BODIES (REFTEL A). IN DISCUSSING OUTLINE, U.S. DEL EMPHASIZED THAT SECRETARIAT SHOULD NOT REACH CONCLUSIONS IN THE PAPER WHICH MIGHT POLARIZE CIME DISCUSSION, BUT THAT OUTLINE SHOULD HELP SHAPE THE DISCUSSION AND BE AN AID TO BEGIN SUBSTANTIVE WORK ON THE REVIEW.

5. ROLE OF ADVISORY GROUPS AND SPECIALIZED BODIES:
CIME AGREED THAT BIAC AND TUAC SHOULD HAVE MAJOR ROLE IN REVIEW. VIEWS IN COMMITTEE WERE INITIALLY DIVIDED ON QUESTION OF WHETHER INPUT OF ADVISORY BODIES SHOULD BE LIMITED TO SPECIFIC QUESTIONS POSED BY CIME. COMPROMISE REACHED BY DECIDING TO PROVIDE SPECIFIC GUIDANCE, BUT TO LET ADVISORY BODIES MAKE WHATEVER POINTS THEY WANTED TO. U.S. DEL POINTED OUT THAT CIME DID NOT HAVE TO, AND SHOULD NOT, RESPOND TO ALL COMMENTS FROM ADVISORY GROUPS. SECRETARIAT WILL ESTABLISH INFORMAL CONTACTS WITH BOTH BIAC AND TUAC ON SUBJECT OF REVIEW, BUT FORMAL CONSULTATIONS WITH CIME WILL NOT TAKE PLACE BEFORE COMMITTEE'S WINTER MEETING. CIME ALSO DECIDED TO POSTPONE CONTACTS WITH OTHER SPECIALIZED COMMITTEES OF OECD WORKING ON INVESTMENT/MNE ISSUES, UNTIL IT WAS ABLE TO FORMULATE CLEARER QUESTIONS ON WHAT IT DESIRED FROM THEM IN TERMS OF THE REVIEW. IN THE MEANTIME, LIMITED OFFICIAL USE

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PAGE 03 PARIS 21405 02 OF 06 061835Z

DELEGATES TO CIME WILL INFORMALLY CONTACT THEIR DELEGATES TO THE SPECIALIZED COMMITTEES AT THE NATIONAL LEVEL FOR POSSIBLE INDICATIONS OF WAYS IN WHICH THE SPECIALIZED COMMITTEES CAN AID IN REVIEW. SECRETARIAT WILL ALSO INCLUDE IN ANNOTATED OUTLINE INFORMATION ON RELATED WORK IN OECD SINCE 1976. IN RESPONSE TO SECRETARIAT QUESTION, U.S. DEL INDICATED THAT, GIVEN LANGUAGE OF 1978 MINISTERIAL COMMUNIQUE, CIME SHOULD ALSO DISCUSS UN ECOSOC WORK ON ILLICIT PAYMENTS TREATY IN CONTEXT OF THE REVIEW PROCESS.

6. DURING OVERALL DISCUSSION OF PREPARATIONS FOR REVIEW, SOME DELEGATIONS (PRINCIPALLY SWEDES AND DUTCH) AND, AT TIMES, SECRETARIAT, SOUGHT TO PRESSURE CIME INTO MOVING SWIFTLY TO SUGGESTIONS FOR REVISION OF INSTRUMENTS. U.S. DEL, WITH STRONG SUPPORT FROM SWISS,

REJECTED THIS ATTEMPT TO "MAKE ONE ACT OUT OF THREE ACTS." U.S. DEL STRESSED NEED TO LOOK AT EXPERIENCE GATHERED DURING THE PAST TWO YEARS, THEN TO USE THIS EXPERIENCE TO REVIEW THE DECLARATION AND DECISIONS. ONLY THEN SHOULD THE THIRD ACT BE PLAYED WHEN CIME WOULD DECIDE WHETHER OR NOT THE 1976 INSTRUMENTS SHOULD BE REVISED. U.S. DEL ADVISED SECRETARIAT IN WORDS OF BEATLES' SONG TO "STEP LIGHTLY, DON'T MOVE TOO FAST."

ACCOUNTING STANDARDS

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PAGE 01 PARIS 21405 03 OF 06 061842Z
ACTION EUR-12

INFO OCT-01 ISO-00 STR-07 XMB-02 CTME-00 L-03 NSC-05
AGRE-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08 EA-10
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FM AMEMBASSY PARIS
TO SECSTATE WASHDC 4391
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LIMITED OFFICIAL USE SECTION 03 OF 06 PARIS 21405

7. REVISED U.S. TERMS OF REFERENCE FOR SUBGROUP ON ACCOUNTING STANDARDS GENERALLY SUPPORTED. WHILE SOME SMALLER COUNTRIES (DENMARK, BELGIUM) LAID EMPHASIS ON LIMITED TECHNICAL NATURE OF THE PROPOSED GROUP'S MANDATE, OTHERS WANTED IT BROADENED. SWISS SUGGESTED IT WAS NECESSARY TO TAKE DIRECT ACCOUNT OF INTERNATIONAL PRIVATE EFFORTS IN THIS AREA AND THAT IASC BE A "SPEAKING OBSERVER" AT WORKING GROUP SESSIONS. FURTHER, SWISS SAID GROUP SHOULD TAKE ACCOUNT OF UN WORK IN THIS AREA AND SERVE AS AN ADVISORY GROUP TO OECD EXPERTS ON UN GROUP OF GOVERNMENT EXPERTS ON REPORTING AND ACCOUNTING

STANDARDS. SWEDES PROPOSED THAT NEW GROUP PLAY A DIRECT AND CONTINUOUS ROLE IN SUPPORTING THE 1979 REVIEW ACTIVITIES OF THE LEVY GROUP.

8. DISCUSSION REVEALED POTENTIAL CONFLICT BETWEEN EC COMMISSION EFFORTS TO STANDARDIZE PRACTICES (I.E., RECENTLY ANNOUNCED DIRECTIVE 4) AND IASC PRIVATE EFFORTS. LIMITED OFFICIAL USE

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PAGE 02 PARIS 21405 03 OF 06 061842Z

(EC OBSERVER STRONGLY RESISTED GIVING IASC A QUASI-GOVERNMENTAL ROLE IN PROPOSED GROUP'S WORK). U.S. DEL NOTED NEED TO KEEP INFORMAL "COLLI" CONTACT GROUP'S MANDATE INTACT, AND NOT HAVE OECD ACCOUNTING GROUP PLAY ROLE WITH RESPECT TO OECD COUNTRIES' ATTITUDES ON UN ACTIVITIES IN INFORMATION AND ACCOUNTING AREA. U.S. DEL ALSO SAID "LEVY" GROUP ROLE ON INFORMATION SECTION OF GUIDELINES SHOULD NOT BE DIVIDED BETWEEN LEVY GROUP AND PROPOSED ACCOUNTING GROUP. LATTER BODY'S WORK SHOULD BE INDEPENDENT OF THE REVIEW PROCESS, ALTHOUGH THERE MAY BE SPECIFIC ISSUES LEVY GROUP MAY WISH TO RAISE WITH ACCOUNTING GROUP.

9. BASED ON DISCUSSION, CIME APPROVED TERMS OF REFERENCE WHICH WERE FURTHER REVISED: (A) TO EMPHASIZE TECHNICAL NATURE OF ACCOUNTING GROUP'S ACTIVITY (I.E., IT WILL "ADVISE ON DESIRABILITY AND FEASIBILITY OF FURTHER OECD WORK IN THIS AREA."); (B) INCLUDE IASC AS A SEGMENT OF THE ACCOUNTING PROFESSION TO BE CONSULTED; AND (C) MOVE BACK TIMETABLE FOR GROUP'S REPORT TO CIME UNTIL FALL 1979. ISSUE OF GROUP'S CHAIRMAN LEFT PENDING EC COMMISSION AND EC-9 CONSULTATIONS AIMED AT CLARIFYING COMMISSION/MEMBER STATE ROLE ON ACCOUNTING STANDARDIZATION. (UK DEL INDICATED UK MIGHT BE WILLING TO CONSIDER CHAIRMANSHIP, DEPENDING ON OUTCOME EC CONSULTATIONS.) SECRETARIAT WILL SET TIME FOR GROUP'S MEETING AFTER CONSULTATIONS WITH PARIS-BASED DELEGATIONS.

INCENTIVES/DISINCENTIVES

10. CIME AGREED THAT SECRETARIAT SHOULD PREPARE PAPER ON INCENTIVES AND DISINCENTIVES FOR DISCUSSION AT NEXT CIME MEETING AS PART OF ITS PREPARATION FOR 1979 LIMITED OFFICIAL USE

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PAGE 03 PARIS 21405 03 OF 06 061842Z

REVIEW. PAPER WILL INCLUDE (1) COMPILATION OF MEASURES AND (2) ANALYSIS OF EXTENT TO WHICH THEY ARE

COVERED BY INCENTIVES/DISINCENTIVES DECISION. BASIS FOR SECRETARIAT COMPILATION WILL BE PAPERS (DAF/IME/78.3 AND DAF/IME/78.4) SUBMITTED BY U.S. AT LAST MEETING. SECRETARIAT WILL MAKE NO ATTEMPT TO SUPPLEMENT OR VERIFY INFORMATION CONTAINED IN U.S. PAPERS; RATHER, DELS INVITED TO SUPPLY ANY CORRECTIONS OR ADDITIONS THEY MAY WISH CONCERNING MEASURES OF THEIR RESPECTIVE COUNTRIES. ANALYSIS WILL CONSIST IN PART OF CLASSIFICATION OF MEASURES INTO CATEGORIES SUGGESTED BY CHAIRMAN: (1) MACRO-ECONOMIC POLICIES; (2) REGIONAL POLICIES; (3) THOSE MORE CLOSELY RELATED TO NATIONAL TREATMENT; (4) THOSE COVERED BY OECD CAPITAL MOVEMENTS CODE; AND (5) THOSE THAT FALL WITHIN SCOPE OF DECISION

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PAGE 01 PARIS 21405 04 OF 06 061843Z

ACTION EUR-12

INFO OCT-01 ISO-00 STR-07 XMB-02 CTME-00 L-03 NSC-05
AGRE-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08 EA-10
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FM AMEMBASSY PARIS

TO SECSTATE WASHDC 4392

INFO USMISSION USUN

LIMITED OFFICIAL USE SECTION 04 OF 06 PARIS 21405

ON INCENTIVES/DISINCENTIVES.

11. AS AT PREVIOUS MEETINGS, IDEA OF DEALING WITH ISSUE AT ALL MET WITH RESISTANCE FROM SEVERAL DELS (AUSTRALIA, BELGIUM, JAPAN, DENMARK) BASED ON NARROW INTERPRETATION OF 1976 DECISION ON INCENTIVES AND DISINCENTIVES CONSULTATIONS. IN REPLY U.S. DEL STRESSED VIEW, LATER ACCEPTED AS CONCEPTUAL BASIS FOR FURTHER WORK ON ISSUE, THAT JUSTIFICATION FOR

PROPOSED EFFORT FOUND IN GENERAL OBJECTIVE OF
ENHANCING TRANSPARENCY STATED IN DECLARATION RATHER
THAN MORE RESTRICTED TERMS OF REFERENCE OF DECISION ON
INCENTIVES/DISINCENTIVES. LOGIC OF U.S. ARGUMENT WAS
SUPPLEMENTED BY IMPLIED THREAT -- IN U.S.
EMPHASIS ON NEED FOR BALANCE IN CIME TREATMENT OF
VARIOUS ELEMENTS IN INVESTMENT PACKAGE -- RAISING CON-
COMITANT POSSIBILITY THAT INSUFFICIENT ATTENTION GIVEN
TO ONE ELEMENT COULD LEAD TO FREEZE ON CHANGES IN OTHERS.

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PAGE 02 PARIS 21405 04 OF 06 061843Z

12. DURING DEBATE, SEVERAL DELS STRESSED VIEW THAT
CIME WORK IN THIS AREA SHOULD NOT DUPLICATE THAT DONE
IN OTHER OECD COMMITTEES (E.G., INVISIBLES COMMITTEE
SPECIAL SESSION ON DIRECT INVESTMENT) OR IN OTHER
INTERNATIONAL ORGANIZATIONS. U.S. DEL RESPONDED
THAT FACT ANOTHER GROUP WAS CONSIDERING AN ISSUE
DID NOT PRECLUDE CIME FROM ALSO TAKING IT UP
PURSUANT TO ITS OWN OBJECTIVES. (SIMILAR INTERVENTION
MADE BY U.S. EXPERT TO INVISIBLES COMMITTEE DURING
ITS JUNE 26 - 28 MEETING AT WHICH PLANS FOR SPECIAL
SESSION ON DIRECT INVESTMENT WERE DISCUSSED -- SEE
PARIS 20926.)

DISCUSSION OF AGENDA ITEM 5

13. IMF/IBRD DEVELOPMENT COMMITTEE (IME(78)13):
INCONCLUSIVE DISCUSSION OF SUBSTANCE OF WORK OF
COMMITTEE'S WORKING GROUP ON ACCESS TO CAPITAL MARKETS
TENDED TO SHADE INTO MORE GENERAL DISCUSSION
OF CIME CONSIDERATION OF BROAD INVESTMENT POLICY
QUESTIONS, AS SUGGESTED BY SWISS DEL (IME(78)15).
ON WORKING GROUP, FRG DEL (SCHEELE) OFFERED VERY
NEGATIVE VIEWS ON LAST SESSION, WHICH HE ATTENDED.
HE CRITICIZED ORGANIZATION AND DOCUMENTATION OF
MEETING, AND NOTED REDUNDANCY AND RISKS OF ITS WORK,
CITING AS AN EXAMPLE ONE PROPOSAL FOR IBRD TRANSFER OF
FUNDS TO UN TNC CENTER. U.K. DEL (DENHAM) MADE
CAUTIOUS COMMENTS ON WORKING GROUP, ALSO NOTING RISK
OF DUPLICATION OF STERILE NORTH/SOUTH DISCUSSION IN
OTHER FORA. THESE VIEWS WERE BALANCED BY UPBEAT
U.S. AND SWISS COMMENTS ON QUALITY OF BACKGROUND PAPERS,
AND ON EXCELLENT OPPORTUNITY FOR CONSTRUCTIVE NORTH/SOUTH
EXCHANGES ON THE ROLE OF INVESTMENT IN DEVELOPMENT IN
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PAGE 03 PARIS 21405 04 OF 06 061843Z

A FORUM DOMINATED BY FINANCE MINISTRIES AND
LACKING EAST EUROPEAN COUNTRIES.

14. ICSID "ADDITIONAL FACILITY" (IME(78)13): FRG
DEL OPPOSED DILUTION OF CENTER'S CONCENTRATION ON
INVESTMENT DISPUTES, AND SAW EXPANSION OF SCOPE TO
COMMERCIAL TRANSACTIONS AS PREMATURE FOR LARGELY
UNTESTED SERVICES OF CENTER. HE RAISED DANGERS
OF EXPANDING ICSID BUREAUCRACY AND BUDGETARY
IMPLICATIONS OF PROPOSALS. HE THOUGHT FACT-FINDING
FACILITY WOULD BE A BAD PRECEDENT FOR UN CODE
IMPLEMENTATION, BUT DID NOT ELABORATE. FRG DID NOT
OBJECT TO EXPANSION OF EXISTING CENTER SERVICES TO
NON-SIGNATORIES OF ICSID CONVENTION. FRG WOULD,
HOWEVER, GO ALONG WITH ALL THREE ELEMENTS OF
PROPOSED ICSID EXPANSION ON THREE CONDITIONS:
(1) FACILITIES WOULD BE LIMITED TO 4-5 YEAR PERIOD
FOLLOWED BY REVIEW; (2) COVERAGE OF "NON-INVESTMENT"
ISSUES SHOULD BE LIMITED TO TURN-KEY CONTRACTS;
AND (3) NO ADDITIONAL FUNDING WOULD BE REQUIRED FOR
ICSID. U.K. DEL, READING FROM PREPARED NOTES,
SAW RISKS OF POLITICIZATION OF ICSID IN COVERAGE
OF NON-LEGAL ISSUES. SHE ALSO QUESTIONED CREATION
OF NEW FACILITIES UNDER RULES SEPARATE FROM
OBLIGATIONS OF MEMBERSHIP UNDER THE CONVENTION, WHICH
COULD LESSEN PRESTIGE OF ICSID, PARTICULARLY IN
EVENT OF A NON-MEMBER FAILING TO COMPLY WITH AN
ICSID RULING. U.K. COULD SUPPORT FACT-FINDING
FACILITIES, BUT IN CONTEXT OF THE CONVENTION,
AVAILABLE ONLY TO CONTRACTING PARTIES. U.S. DEL
NOTED UPCOMING BANK/FUND MEETING AND DESIREABILITY
OF FULL DISCUSSION OF ICSID IN CIME OR A SUB-GROUP.

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PAGE 01 PARIS 21405 05 OF 06 061848Z
ACTION EUR-12

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FM AMEMBASSY PARIS
TO SECSTATE WASHDC 4393
INFO USMISSION USUN

LIMITED OFFICIAL USE SECTION 05 OF 06 PARIS 21405

HE STRESSED IMPORTANCE WE ATTACH TO ICSID AND ATTEMPTING TO DEVISE WAYS OF ENHANCING ITS IMPACT. U.S. TOUCHED ON DEFINITIONAL ISSUES RAISED BY COVERAGE OF "COMMERCIAL" DISPUTES, AND STRESSED IMPORTANCE OF ARRANGEMENTS SUCH AS TURN-KEY AND MANAGEMENT CONTRACTS IN EVOLVING PATTERNS OF NON-DIRECT TRANSNATIONAL INVESTMENT. ONLY OTHER COMMENTS ON ICSID MADE BY SWISS, WHO SUPPORT ALL THREE PROPOSALS, BUT WISH TO LIMIT NON-INVESTMENT COVERAGE TO DISPUTES ARISING BETWEEN NATIONALS OF CONTRACTING STATES AND HOST COUNTRIES, WHETHER OR NOT CONTRACTING.

15. FRG DATA COLLECTION PROPOSAL (IME)78)L4) AND SWISS PROPOSAL ON CIME INVESTMENT POLICY DISCUSSION (IME)78)15): IN OVERLAPPING DISCUSSION OF THESE TWO PAPERS, THE FRG DATA COLLECTION PROPOSAL AND PARA 3(A) OF SWISS PAPER, RELATING TO A SURVEY OF CURRENT CAPITAL FLOWS, WERE VIEWED AS ESSENTIALLY SIMILAR. CONVOLUTED DISCUSSION OF AVAILABILITY OF NATIONAL LIMITED OFFICIAL USE

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PAGE 02 PARIS 21405 05 OF 06 061848Z

DATA ON DIRECT INVESTMENT FLOWS, AND LIMITS ON THEIR COMPARABILITY RESULTED IN RECOGNITION THAT SOME OF INFORMATION SOUGHT BY FRG AND SWISS ALREADY AVAILABLE THROUGH THE WORK OF INDUSTRY COMMITTEE'S WORKING PARTY NO. 1 WHICH SOME DELEGATES SUGGESTED AS APPROPRIATE OECD BODY TO CONDUCT FURTHER SURVEYS ON INVESTMENT FLOWS. THEIR PROPOSALS WERE DEFERRED FOR POSSIBLE FUTURE RECONSIDERATION.

16. LEVY (SWITZERLAND) OPENED DISCUSSION ON PROPOSAL FOR PERIODIC EXCHANGES OF VIEWS ON BROAD INVESTMENT POLICY ISSUES IN THE CIME (PARA 3(B) OF SWISS PAPER) BY QUESTIONING COMMITTEE'S EXCESSIVE FOCUS ON 1976 INVESTMENT DECLARATION. THE CIME, HE ARGUED, SHOULD BE PREPARED TO SUPPORT WORK ELSEWHERE IN THE OECD IN AREAS WITHIN CIME'S COMPETENCE, AND WEGHINVESTMENT ISSUES ARISING IN OTHER FORA, LIKE IMF/IBRD DEVELOPMENT COMMITTEE. LEVY, JOINED BY U.S., SUPPORTED DISCUSSION OF THREE DEVELOPMENT

COMMITTEE ISSUES IDENTIFIED BY SECRETARIAT IN
IME(78)13 FOR CIME CONSIDERATION. U.S. DEL STRONGLY
ENDORSED WORK BY CIME ON BROADER INVESTMENT PROBLEMS,
AND SUGGESTED THAT IN ADDITION TO THE THREE DEVELOPMENT
COMMITTEE SUBJECTS, SECRETARIAT PREPARE A PROGRAM OF
ISSUES, WITH BACKGROUND RESEARCH, WHICH CIME MIGHT
DEAL WITH IN THE NEXT 12 - 18 MONTHS. SWEDES, JOINED
BY FRENCH AND DUTCH, EXPRESSED RESERVATIONS ON
PROPOSAL, FEARING THAT FULL PLATE OF GUIDELINES WORK
PRECLUDED TAKING ON OTHER TASKS. BOTH LEVY AND COLLI
(CANADA) NOTED THAT COLLI GROUP MIGHT BE APPROPRIATE
FORUM FOR EXCHANGE OF VIEWS ON CERTAIN ISSUES.
DESPITE DIVIDED VIEWS, WITH SUPPORT OF CHAIR,
SECRETARIAT WAS REQUESTED TO PRODUCE FOR NEXT CIME A
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PAGE 03 PARIS 21405 05 OF 06 061848Z

LIST OF POSSIBLE TOPICS FOR DISCUSSION, FOLLOWING
MEISSNER SUGGESTION. SECRETARIAT ALSO VOLUNTEERED
TO REVIEW AVAILABILITY AND ADEQUACY OF DATA ON DIRECT
INVESTMENT FLOWS, TO ASSIST IN CLARIFYING NEED FOR
FURTHER DATA COLLECTION ACTIVITIES AS PROPOSED BY FRG
AND SWISS.

17. ACTIVITIES OF CIME WORKING GROUPS: REPORTS OF
CHAIRMAN OF THREE WORKING GROUPS WERE BRIEF. RESULTS
OF LEVY GROUP COVERED REFTEL A. SECRETARIAT DOCUMENT

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PAGE 01 PARIS 21405 06 OF 06 061846Z
ACTION EUR-12

INFO OCT-01 ISO-00 STR-07 XMB-02 CTME-00 L-03 NSC-05
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TO SECSTATE WASHDC 4394
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COVERING NEW ISSUES RAISED BY TUAC CIRCULATED IN COURSE OF CIME MEETING, AND, AFTER MODIFICATIONS TO ELIMINATE INACCURACIES AND REFERENCES TO AMENDMENT OF GUIDELINES, WILL BE RELEASED CONFIDENTIALLY TO BIAC AND TUAC TOGETHER WITH IME(78)L, AS BASIS FOR INFORMAL CONSULTATIONS IN SEPTEMBER. WITH ONLY VERY MINOR CHANGES, CIME AGREED TO DERESTRICTION OF SECRETARIAT DOCUMENT ON NATIONAL TREATMENT (IME(78)2). THE REPORT OF COLLI GROUP WILL BE COVERED IN SEPTTEL ON THAT GROUP'S JULY 5TH MEETING.

18. RELATED ACTIVITIES IN OECD: BEYOND DISCUSSION OF CONTACTS WITH SPECIALIZED COMMITTEES IN OECD IN CONTEXT OF REVIEW (SEE PARAGRAPH 5), CIME HAD LITTLE TO SAY ABOUT RELATED ACTIVITIES IN OECD. IT DID, HOWEVER, COMMENT ON IMPORTANCE OF WORK OF COMMITTEE OF EXPERTS ON RESTRICTED BUSINESS PRACTICES AND ENDORSED ITS DRAFT RECOMMENDATION TO OECD COUNCIL ON RESTRICTED BUSINESS PRACTICES IN INTERNATIONAL TRADE, INCLUDING LIMITED OFFICIAL USE

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PAGE 02 PARIS 21405 06 OF 06 061846Z

THOSE INVOLVING MNE'S.

19. TIMETABLE: APPROPRIATELY -- GIVEN SEMI-WHIMSICAL CHARACTER OF ITS DISCUSSION -- CIME DECIDED TO RECONVENE ON HALLOWEEN AND NEXT MEETING WILL TAKE PLACE OCTOBER 30 - 31. DATES FOR GAUTHIER NATIONAL TREATMENT WORKING GROUP CHANGED TO SEPTEMBER 18 - 19 TO PRECEDE MEETING OF LEVY WORKING GROUP ON THE GUIDELINES SEPTEMBER 20 - 22.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
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Draft Date: 06 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
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